



Rosemary Lehmborg ★ Travis County District Attorney

P.O. Box 1748 Austin, Texas 78767 • Telephone: 512-854-9400 • Fax: 512-854-9534
e-mail: district.attorney@co.travis.tx.us • www.traviscountyda.org

For Immediate Release
June 23, 2009

Contact: Ruth-Ellen Gura
512-854-9530

Travis County District Attorney Rosemary Lehmborg today announced that Sidney Baldon II was sentenced to 12 years in prison and ordered to pay \$1 million dollars to the State of Texas. Baldon pleaded guilty to three felony offenses and admitted his involvement in a scheme to defraud the State of Texas of millions of dollars in motor fuel taxes.

Baldon II, once the owner-operator of Mid-Coast International, Inc., a distributor of kerosene and other motor fuel products, was indicted by a Travis County Grand Jury in June 2007. In addition to the state conviction, Baldon pled guilty to federal charges and received a five-year sentence.

Between March 2002 and November 2003, Baldon, acting on behalf of Mid-Coast, purchased kerosene from Calcasieu Refining Company in Lake Charles, Louisiana. He falsely represented that the fuel was purchased for export to Mexico only, thus no excise taxes were assessed or paid by Mid-Coast. The untaxed fuel was transported from Louisiana to Mid-Coast locations in Houston and Channelview, TX where the fuel was then blended with other materials to produce over 22 million gallons of blended fuel. The untaxed blended fuel was then transported to retail filling stations at the direction of Yousef Abuteir where it was sold as taxable motor fuel. State and federal taxes were collected from consumers but never remitted to the State of Texas or to the Internal Revenue Service resulting in a \$4.5 million tax loss to the State and a loss to the federal government in excess of \$3 million.

For his role in the scheme, Yousef Abuteir was found guilty of Evading Motor Fuel Taxes by a Travis County jury in December 2008. He failed to appear for sentencing and remains a fugitive on both state and federal charges.

The investigation resulted in state indictments of 14 individuals and 3 corporations and was conducted by the Motor Fuel Tax Fraud Division of the Public Integrity Unit in the Travis County District Attorney's Office, State Comptroller of Public Accounts-Criminal Investigation Division, Harris County Constable's Office Precinct One and various federal agencies including the Internal Revenue Service-Criminal Investigation Division.

The Motor Fuel Tax Fraud Division is one of the three sections that comprise the Public Integrity Unit of the Travis County District Attorney's Office. It has statewide venue to prosecute offenses involving motor fuel tax fraud.

###